Gain to Chinese Manufacturers by Decontrol

1343. SHRI SANGH PRIYA GAUTAM:

DR. NAUNIHAL SINGGH:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government's decision to decontrol molasses and alcohol has helped Chinese manufacturers at the expense of their Indian counterparts, if so, what are the ramifications thereof?

(b) whether it is also a fact that following decontrol prices of alcohol-based industrial chemicals have skyrocketed, if so, the details thereof and the reasons thereof; and

(c) the details of the steps taken by Government to protect the Indian manufacturers of molasses and alcohol including the alcohol-based industrial chemicals and the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) The Molasses Control Order, 1961 and the Ethyl Alcohol (Price Control) order, 1971 has been rescinded on 10th June, 1993 to remove control on prices and distribution of molasses to as to provide a better opportunity for all the sectors dependent on molasses to function optimally. There is no report about any undue benefit acruing to Chinese manufacturers.

(b) No, Sir. Consequent on the rescinding of the Molasses Control Order, 1961 and the Ethyl Alcohol (Price Control) Order, 1971, there is a marginal increase in the prices of some chemicals.

(c) The purpose oof rescinding the two Central Orders (Molasses Control) Order, 1961 and the Ethyl Alcohol (Price Control) Order, 1971 is to give better opportunity for all the sectors connected with the molasses and alcohol to function optimally.

Invention of Drugs

1344. SHRI CHIMANBHAI MEHTA:

SHRIMATI MIRA DAS:

SHRI G. G. SWELL:

SHRI SARADA MOHANTY:

DR. SUBRAMANIAN SWAMY:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that 90 per cent of the new drugs brought in the market were invented by only 10 rich countries between 1961 to 1990 while India, Argentina, China, Korea and Mexico invented and marketed 1 drug only;

(b) whether it is a fact that pharmaceutical companies of developing countries produce drugs that cost less;

(c) whether it is a fact that public and private sector in developing countries spent an estimated 44 billion dollar or 10 dollar per capita in pharmaceuticals;

(d) whether it is a fact that global expenditure on pharmaceuticals amount to about 220 billion dollar or 40 dollar per capita;

(e) what are the reasons for inadequacy in pharmaceuticals by country like India; and

(f) whether it is a fact that the Indian drug industry is not able to generate surplus funds to develop local drug industry if so, state reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) to (d) The information/data referred in these parts of the question is contained in a recent publication of the World Bank entitled "World Development Report-Investing in Health'.

(e) and (f) Inventions of new drugs (New chemical entities) involves sophisticated basic R&D in the fields of synthetic chemistry, pharmacology, toxicology and chemical studies etc. It requires huge investment and prolonged studies. The development of Indian pharmaceutical industry has taken place relatively later. However, in the last two-three decades it has made significant progress. About 70 per cent of the bulk drugs and almost entire range of formulations requirements are met through indigenous production.

Closure of industrial units in Maharashtra and Gujarat after Molasses decontrol

1345. SHRI CHIMANBHAI MEHTA:
SHRIMATI MIRA DAS:
SHRI G. G. SWELL:
SHRI SARADA MOHANTY:
SHRI SUBRAMANIAN SWAMY:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact as a consequence to decontrol of molasses many distilleries and alcohol based chemical units in Maharashtra and Gujarat have shut down; if so, what are the reasons thereof;

(b) whether it is a fact as a result of decontrol of molasses prices have shot up and reached the figure of Rs. 1000/- or more per tonne; if so, what are the implications for user industries;

(c) whether it is a fact that to countered rising prices of molasses Government is contemplating imports; if so, the details thereof;

(d) whether it is a fact that Uttar Pradesh has defied decontrol order, if so, what are the reasons thereof;

(e) what was the controlled prices of molasses few months back and what is the difference now; and

(f) whether controlled price of molasses in Uttar Pradesh is Rs. 144 per tonne and price of industrial alcohol is Rs. 5 per litre?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) Some alcohol based chemical units from Maharashtra have reported that their units have been closed down due to unviable prices of alcohol.

(b) Consequent upon rescinding the Molasses Control Order, 1961 there is some increase in the prices of molasses and the downstream products.

(c) No, Sir.

(d) U. P. Government is in the process of adjusting their own laws and regulations to conform to the policy of decontrol over molasses and alcohol.

(e) and (f) The Molasses prices under the Molasses Control Order, 1961, which has been rescinded on the 10th June, 1993 were as follows:

Grade of Molasses	Price
Grade I .	Rs. 14.40 per 100 Kg.
Grade II . .	Rs. 11.50 per 100 Kg.
Grade III .	Rs. 8.60 per 100 Kg.
Below Grade III	Rs. 8.60 for 40 Kg.